

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-077-00331M

Parcel No. 010/00017-001-000

Jeff Schachtner,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on August 25, 2020. Jeff Schachtner was self-represented. Assistant Polk County Attorney Jason Wittgraf represented the Board of Review.

Jeff Schachtner owns a multi-residential property located at 815 Boulder Avenue, Des Moines, Iowa. The property's January 1, 2019, assessment was set at \$372,000, allocated as \$44,800 in land value and \$327,200 in building value. (Ex. A).

Schachtner petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). (Ex. C). The Board of Review denied the petition. (Ex. B).

Schachtner appealed to PAAB reasserting his claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the

appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701–126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. *Id.*; *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a three-story nine-unit multi-family apartment built in 1971. It has 6816 square feet of gross building area and 12,000 square feet of paved parking. The building is listed in normal condition with average-quality construction (grade 4+00). The site is 0.333 acres. (Ex. A).

On his petition to the Board of Review, Schachtner listed four properties he believes demonstrate his assessment is not equitable. He calculated the assessed value per unit for each comparable and believes this supports his claim. PAAB took judicial notice of the property record cards and cost sheets for each property listed on the original board of review petition, which are summarized in the following table. (Exs. 1-4).

Address	Gross building area (SF)	Number of Units	SF/Unit	Sale Date	Sale Price	Total 2019 Assessed Value	Assessed value per unit
Subject	6816	9	757	NA	NA	\$372,000	\$41,333
1 – 900 Elder Lane	9504	12	792	1/2019	\$690,530	\$390,000	\$32,500
2 – 6920 SW 9th St	8064	12	672	8/2020 7/2017	\$575,000 \$402,500	\$479,000	\$39,916
3 – 700 Monona Ave	8064	12	672	5/2017	\$1,800,000	\$413,000	\$34,416
4 - 3821 64th St	9480	12	790	NA	NA	\$438,000	\$36,500

None of these properties sold during 2018, but Comparables 1, 2, and 3 sold

between 2017 and 2020. With the exception of Comparable 2's 2017 sale, the sale prices were all greater than the respective assessed values. However, the sale price of Comparables 1 and 3 included multiple parcels. Schachtner testified he was not aware or knowledgeable of the sale prices or the conditions of the sale for these properties. Rather, his focus was on the assessed value per unit. He believes the subject's higher assessed value per unit supports his claim.

Schachtner testified the comparables were selected because of similar age, unit size, and grade when compared to the subject. While the comparables all had higher total assessed values than the subject property, they were all larger in gross building area and had higher unit counts. We note properties with a greater number of units will typically have a lower unit price due to economies of scale. He testified no appraisal or comparable market analysis (CMA) has been completed on the subject property since he purchased it in 2013. Further, the subject has the largest amount of and newest paved parking. This difference may impact the total assessed value and account of differences between the subject and comparables.

Cary Halfpop, a commercial appraiser for the Polk County Assessor's Office, appeared on behalf of the Board of Review. He testified there were 55 multi-family property sales during 2018 in Polk County that were considered to be good sales. These sales were analyzed as part of the reassessment or equalization process. The median sale ratio of the 55 sales was 82.2%. The sale ratio is calculated by taking the total assessed value divided by the sale price. An 82.2% ratio would generally indicate the assessed values are below market value. Therefore, upward adjustment to the assessed values of this property type were required to bring them up to market value.

Analysis & Conclusions of Law

Schachtner contends the subject property is inequitably assessed. § 441.37(1)(a)(1). He bears the burden of proof. § 441.21(3).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). It is

insufficient to simply compare the subject property's assessed value to the assessments of other properties. Schachtner offered the assessments of four properties and believes their assessed value per unit supports his claim. However, there is no evidence the Assessor applied an assessment method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual values (2018 sales) and assessed values (2019) of comparable properties, the subject property is assessed at a higher proportion of its actual value. *Id.*

Schachtner submitted four properties he believes support his claim, but none sold in 2018. While only 2018 sales are typically considered in this analysis, three of Schachtner's comparables sold in 2017, 2019, and 2020. Two of the sales were reported to be multi-parcel sales and there was no evidence of an allocated value for these sales. Without this information, Schachtner's claim must fail.

Moreover, in addition to showing the sales ratios of comparable properties, a showing of the subject property's actual value is required to complete the *Maxwell* test. The subject property did not recently sell, nor did Schachtner offer any evidence of its January 1, 2019 market value. Accordingly, the *Maxwell* test cannot be completed.

Viewing the record as a whole, we conclude that Schachtner failed to show his property is inequitably assessed.

Order

PAAB HEREBY AFFIRMS the Polk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.19 (2019).

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Dennis Loll, Board Member

Handwritten signature of Karen Oberman in black ink.

Karen Oberman, Board Member

Handwritten signature of Elizabeth Goodman in black ink.

Elizabeth Goodman, Board Member

Copies to:

Jeff Schachtner by eFile

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